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April 22, 2003

To: County Chief Business Officials

From: Caryn Becker, Manager  
Financial Accountability and Information Services

Subject: 2003-04 Approved Indirect Cost Rates

Based on our review of the 2001-02 J-380/580/780 (J-380) and standardized account code structure (SACS) expenditure data, we have finalized the approved indirect cost rates for use, as allowable, with 2003-04 federal and state programs.

### **Approved Indirect Cost Rates**

To provide quicker and broader distribution of the approved indirect cost rates (ICRs), the listing has been posted to the Internet. Please visit our Web site at <http://www.cde.ca.gov/fiscal/financial/icr.htm> to get the approved indirect cost rates for your county; please also share the ICR Web site address with the school districts and joint powers agencies (JPAs) in your county. If you are unable to access the indirect cost rate listing via the Internet, please contact us at (916) 322-1770, or by e-mail at [faisinfo@cde.ca.gov](mailto:faisinfo@cde.ca.gov), for a printed copy.

### **Indirect Cost Rate Issues**

Consistent with our federally approved indirect cost plan, local educational agencies (LEAs) not filing a 2001-02 J-380 under the biennial filing option were assigned an approved indirect cost rate that is 95% of their approved prior year rate.

As a reminder, because JPAs do not generally meet the guidelines for receiving approved indirect cost rates, they are not given an approved rate unless it is requested during the data submission process. For further information on indirect cost rates applicable to JPAs, including the guidelines that must be met to receive an indirect cost rate, please refer to our February 26, 1998 letter on financial reporting for JPAs, a copy of which is located on our Web site at <http://www.cde.ca.gov/fiscal/financial/jpa.htm>. (Also note that information from that letter is available in Procedure 608 of the *California School Accounting Manual*.)

County Chief Business Officials  
April 22, 2003  
Page 2

### **Statewide Indirect Cost Rates**

The statewide average indirect cost rates for the Food Service and Adult Education programs for 2003-04 are as follows:

5.70% Food Service  
5.56 % Adult Education

A listing showing the statewide rates for the last four years is available on our Web site at <http://www.cde.ca.gov/fiscal/financial/icr.htm>.

### **Charter Indirect Cost Rates**

The approved indirect cost rates for those charter schools that reported data in their approving agency's General Fund are still being finalized and will be released shortly.

### **SACS Query Page**

To aid staff in identifying the allowable indirect cost rates for various programs, the SACS Query system available on our Web site at <http://www.cde.ca.gov/fiscal/sacs/pcaresource/queryhome.asp> now includes this information for most programs.

Should you need further information or assistance concerning the indirect cost rates, please contact our office at (916) 322-1770, or by e-mail at [faisinfo@cde.ca.gov](mailto:faisinfo@cde.ca.gov).

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cc: County Superintendent